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Storm Real Estate enters into transformative agreement to form a combined entity with KMC Properties

Oslo, 17 November 2020

Storm Real Estate ASA is pleased to announce that it has entered into an agreement to acquire 100% of the issued and outstanding shares in KMC Properties AS for an agreed purchase price of approximately NOK 1,076 million (the "Transaction").

KMC Properties AS ("KMC Properties") is a privately owned real estate company that at the time of completion of the Transaction will own 39 industrial properties in 5 countries in the Nordics and in the Netherlands (the "KMC Portfolio") with a combined value of approximately NOK 3 billion. The properties have long lease agreements and solid tenants. KMC Properties is currently owned by EBE Eiendom AS ("EBE") (51%), a company controlled by the Bekken and the Thoresen family, and Kverva Industrier AS ("Kverva") (47%), as well as certain minority shareholders (2%).

KMC Properties is a result of three Trondheim-based industrial real estate companies consolidating into one, including KMC Properties, Pesca Properties AS ("Pesca") and Abra Norge AS ("Abra"), all with a long operating history.

Storm Real Estate (the "Company", "Storm Real Estate", with OSE ticker: "STORM") is prior to the Transaction a single asset company and has been actively seeking potential partnerships since entering into a refinancing agreement on 27 May 2020.

The combined entity will have a strong platform to execute on a pipeline of attractive growth opportunities. The ambition is to become the preferred partner and market leader within industrial real estate properties for selected industries, as well as a listed and liquid share as a valuable currency for further growth.

Liv Malvik, CEO of KMC Properties comments:

"This partnership is very attractive to KMC Properties. The combined company will have a very solid platform for growth. Our real estate portfolio includes 40 properties with business-critical locations for our tenants. We have a pipeline of attractive growth opportunities and by teaming up with Storm Real Estate, we get a listing at Oslo Børs, enabling access to capital, as well as access to the extensive industrial knowledge the management in' Storm possess."

Morten E. Astrup, deputy chairman of the board of Storm Real Estate comments:

"We are very excited to partner up with KMC Properties. Storm Real Estate has in recent years clearly stated our strategy of seeking a partner who can add real estate and expertise, with the goal of becoming a large diversified real estate company with ambitions for further growth. KMC has a very attractive portfolio with long lease agreements and solid tenants. I look forward to continue this journey together."

As part of the Transaction, the new combined company is contemplating to raise NOK 300 million in a private placement and NOK 1,850 million equivalent in senior secured bonds in one or two tranches. Furthermore, the Company's current outstanding bank debt will be converted to new shares in Storm Real Estate.

The Transaction is approved unanimously by the board of Storm Real Estate, Aconcagua Management Ltd (wholly owned by Morten E. Astrup), EBE, Kverva and Abra. The said shareholders have provided their pre-commitment to vote in favour of the Transaction in an extraordinary general meeting expected to be held mid-December 2020 (the "EGM").

1 TRANSACTION HIGHLIGHTS

- The Company will acquire KMC for an agreed purchase price of approx. NOK 1,076 million (the "Purchase Price"), based on a gross property value of approx. NOK 3 billion
- The Purchase Price will be settled through the issuance of ca. 153,678,160 new shares in Storm Real Estate at NOK 7 per share (the "Consideration Shares")
- For the first nine months of 2020, KMC Properties (including Pesca) generated revenues of NOK 147 million and EBITDA of NOK 128 million
- A NOK 300 million equity private placement will be carried out towards existing shareholders and new investors, resulting in the issuance of up to 42,857,142 new shares at a price of NOK 7 per share. The private placement is fully guaranteed by Bekken Invest AS, Abra Norge AS, Kverva AS and Aconcagua Management Ltd.
- The Company will simultaneously issue NOK 1,850 million equivalent senior secured bonds in one or two tranches in the Nordic bond market
- Aconcagua Management Ltd and certain other shareholders accepting the same will acquire the Company's outstanding debt towards Swedbank AB in accordance with the refinancing agreement dated 27 May 2020 and certain additional conditions set by the board of Storm Real Estate, following which the outstanding debt of approx. NOK 188 million will be converted to approx. 26.8 million new shares in Storm Real Estate at a conversion price of NOK 7 per share
- The transaction will transform the Company from a single asset company to a strong and diversified industrial real estate company, owning 40 properties in 6 countries
- This is the first step in a renewed strategic focus for the Company with an ambition to become the preferred partner and market leader within industrial real estate for selected industries
- Completion of the Transaction is inter alia subject to a completion of the private placement and the bond issue, as well as approval by an extraordinary general meeting in Storm. Subject to fulfilment of these conditions and satisfaction of certain other conditions precedent, the Transaction is expected to close no later than end of January 2021

2 ABOUT THE TARGET COMPANY

KMC Properties AS is a Norwegian private limited liability company, with company registration number 924 527 714 and a registered business address at Hammarvikringen 64, 7263 Hamarvik. KMC Properties was established on 20 January 2020 by the Bekken family and has during 2020 consolidated properties formerly owned by the Sellers into a diversified industrial real estate portfolio consisting of 39 properties at the closing of the Transaction.

Prior to completion of the Transaction, KMC Properties will acquire 100% of the issued and outstanding shares in Pesca, against an agreed purchase price of NOK 419,439,784. Approximately

MNOK 244 will be settled in the form of issuance of consideration shares in KMC Properties, and the remaining amount by way of a shareholder loan between Kverva and KMC Properties (the "Pesca Transaction").

Pesca Properties AS is a Norwegian private limited liability company with company registration number 920 129 765. Pesca was established on 13 October 2017 by Kverva and certain minority shareholders and has since its incorporation acquired a diversified industrial real estate portfolio consisting of 10 properties.

Following completion of the Pesca Transaction, KMC Properties will own 39 properties in 5 countries in the Nordics and in the Netherlands. This includes one property under construction with expected completion during the summer of 2021 and five properties to be acquired pursuant to signed purchase agreement (not yet completed).

Following completion of the Pesca Transaction, but prior to completion of the Transaction, KMC Properties will be owned 51.01 % by EBE, 47.37 % by Kverva, 1.14 % by Neptun Invest AS and 0.47 % by Zebrafish AS.

KMC Properties (including Pesca) has 3 employees, including the CEO Liv Malvik, CFO Frode Kristiansen and COO Audun Aasen. In addition to the employees, KMC Properties will have access to expertise from the former Pesca organisation, as well as other advisory agreements. The Board of Directors of KMC Properties consists of Stig Wærnes (Chairman), Bernt Thoresen, Marianne Bekken and Endre Kolbjørnsen.

3 THE COMBINED COMPANY

The combined company will be a real estate company focusing on industrial properties with long lease agreements with strong tenants. The combined company will have a strong platform to execute on a pipeline of attractive growth opportunities, including a listed and liquid share as a valuable currency for accretive growth:

- Access to capital at attractive terms
- Strong and committed owners with industrial expertise
- Capitalised for further growth
- Ambition to become market leader within industrial real estate

Upon completion of the Transaction, the combined entity is expected to have an initial market capitalization of NOK 1,623 million, a property portfolio consisting of 40 real estate properties across 6 countries in Europe and a flexible and knowledgeable organization consisting of 3 employees.

In connection with the Transaction, a valuation of the property portfolio has been performed by Cushman & Wakefield.

4 TRANSACTION DETAILS AND TIMELINE

The Transaction

The Transaction is structured as a sale to Storm Real Estate of all issued and outstanding shares in KMC Properties against a sellers' credit that will subsequently be converted to 153,678,160 new shares in the Company (the "Consideration Shares"). Following completion of the Transaction and

the bank debt purchase and conversion, but prior to issuance of new shares pursuant to the Private Placement, each of EBE and Kverva is expected to own approximately 45% and 40% of the share capital of Storm Real Estate, which may be diluted to minimum 37% and 32.9% following issuance of the Private Placement shares.

The Transaction will be subject to customary closing conditions being fulfilled no later than 31 January 2020, including inter alia:

- (i) Completion of the Pesca Transaction;
- (ii) Completion of the Bond Issue (as defined below);
- (iii) The EGM having approved the Transaction, the Loan Conversion and the Private Placement with requisite majority the Transaction
- (iv) Approval by the Oslo Stock Exchange for the continued listing of Storm Real Estate following completion of the Transaction;
- (v) Completion of the Loan Conversion (as defined below);
- (vi) the Private Placement (as defined below) being fully subscribed and/or underwritten subject only to completion of the Transaction and on settlement

Completion of the Transaction and issuance of the shares as part of this will require a listing prospectus to be published by Storm Real Estate. Pending publication of such listing prospectus, which is expected to be during January 2021, the Consideration Shares and the shares to be issued as part of the Loan Conversion and the Private Placement will be placed on separate ISIN and will hence not be tradable on Oslo Børs until the later of (i) the prospectus having been approved by the Norwegian Financial Supervisory Authority and published by the Company and (ii) expiry of the offer period under the mandatory offer (as further detailed below). The Company will consider to facilitate interim trading of the private placement shares on the N-OTC.

Mandatory Offer Obligation

The Transaction will trigger a mandatory offer obligation for each of EBE and Kverva, pursuant to chapter 6 of the Norwegian Securities Trading Act. Subject to completion of the Transaction, each of EBE and Kverva intends to make a mandatory offer to acquire all issued shares in Storm Real Estate not already owned by EBE and Kverva, at an offer price of NOK 7 per share in Storm Real Estate (the "Mandatory Offer"). Such Mandatory Offer is expected to be made without undue delay following approval of the Transaction by the general meeting of Storm Real Estate and approval by the Oslo Stock Exchange of the mandatory offer document.

The shares issued in the Private Placement is expected not to be comprised by the Mandatory Offer.

NOK 300 million private placement

In connection with the Transaction, Storm Real Estate intends to carry out a private placement of up to 42,857,142 new shares at an offer price of NOK 7 per share, raising gross proceeds of NOK 300 million (the "Private Placement"). The purpose of the Private Placement is to strengthen liquidity in the Company's shares, and along with the Bond Issue the use of proceeds will be to

refinance existing bank debt and part of shareholder loans in KMC purchase of new properties in line with the Company's strategy and, as well as general corporate purposes.

The Private Placement will be directed towards existing shareholders and new investors, each subject to a minimum application and allocation amount of an amount in NOK equivalent to EUR 100,000. The private placement is fully guaranteed by Bekken Invest AS, Abra Norge AS, Kverva AS and Aconcagua Management Ltd. The Private Placement will be subject to a requisite majority in the EGM of Storm Real Estate authorising the issuance of the new shares as well as satisfaction or waiver of the conditions for completion of the Transaction. The new shares issued in connection with the Private Placement will be placed on separate ISIN pending (i) expiry of the offer period under the Mandatory Offer and (ii) approval of a prospectus to be published by Storm Real Estate following completion of the Transaction. The shares which will be issued in the Private Placement is expected not be comprised by the Mandatory Offer, and investors subscribing for offer shares in the Private placement will hence not be able to tender their shares, or otherwise agree to not permit such shares to be tendered, in the Mandatory Offer.

Subject to completion of the Transaction and the Private Placement, the Board of Directors of Storm Real Estate may consider to carry out a subsequent offering. If and to the extent such a subsequent repair offering is resolved by the Board, further details will be provided.

Conversion of Storm debt

Aconcagua Management Ltd will as part of the Transaction acquire the Company's outstanding debt towards Swedbank AB in accordance with the refinancing agreement dated 27 May 2020 and certain additional conditions set by the board of Storm Real Estate. Following such purchase, the outstanding debt will be converted to ca. 26.8 million new shares in Storm Real Estate at the same price as in the Private Placement and the Transaction. To the extent practicably possible and subject to applicable restrictions, certain other shareholders of Storm will be offered to be participate in such purchase and conversion, which will be completed in connection with, and on the same conditions as, the Transaction.

NOK 1,850 million equivalent Senior Secured Bonds

In connection with the Transaction, Storm Real Estate intends to issue senior secured callable bonds of approximately NOK 1,850 million equivalent in one or two tranches (the "Bond Issue") through a private placement. The proceeds from the Bond Issue shall be used to refinance shareholder loans, existing bank debt and for general corporate purposes including acquisitions of the combined company. Release of any funds from the Bond Issue will be conditional on the closing of the Transaction having occurred.

Lock-up

In connection with the Transaction, each of Aconcagua Management Ltd (wholly owned by Morten E. Astrup), EBE, Kverva and Abra Norge AS have undertaken a 12 month lock-up on customary terms for all of their shares to the benefit of the Managers. The lock-up may be waived in certain circumstances, including if necessary in order to achieve a satisfactory free float of the Company's shares. Aconcagua Management Ltd., Abra Norge AS and minority shareholders in Pesca and KMC Properties have also agreed to withstand from participating in the Subsequent Offering and from tendering their shares in the Mandatory Offer.

Timeline for the transaction

The below timeline for the Transaction is indicative and the dates set out herein may be changed:

Announcement of Transaction:	17 November
EGM notice	On or about 18 November
EGM:	Mid-December
Completion of Transaction	No later than end of January 2021

Advisors

ABG Sundal Collier ASA and DNB Markets acts as financial advisors to Storm Real Estate and KMC. Advokatfirmaet Schjødt AS acts as legal advisor to Storm Real Estate and Arntzen de Besche Advokatfirma AS acts as legal advisor to KMC Properties.

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